



# NEWSLINE

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Tennessee Department of Commerce and Insurance*

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#### BOARD OF COMMISSIONERS AND STAFF

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DEPARTMENT OF COMMERCE & INSURANCE  
TENNESSEE AUCTIONEER COMMISSION  
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NASHVILLE, TENNESSEE 37243-1152  
615-741-3236  
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[www.state.tn.us/commerce/rbauc](http://www.state.tn.us/commerce/rbauc)

## Chairman's Report

by Charles Woodard  
TAC Chairman

The Tennessee Auctioneer Commission and staff would like to welcome Jay Whirley of Selmer, Tennessee, as the newest member of the Commission. Jay will occupy the West Tennessee seat on the Commission.

I attended the National Auctioneers Association meeting in Norfolk, Virginia, in July and represented the TAC at the meeting of the National Association of License Law Officials Association. The association provides a forum for auctioneer commissions and staff to discuss issues that are common to all states. Presently the NALLOA is trying to construct a reciprocal license agreement that will be uniform and adopted by all states. A committee has been appointed to do more work on this issue. NALLOA is also discussing the issue of internet auctions. Tennessee presently requires any internet auction originating from Tennessee to have a license.

The Tennessee Auctioneer Commission continues to work on new rules for the regulation of auctions and auctioneers in Tennessee. At our August meeting, we put the final touches on a set of rules that we have spent many hours constructing. The rules deal with advertising guidelines, disclosure of buyer's premium, charity auction exemptions, electronic media auction license requirements, late license renewal, retirement of a license, civil penalties, apprentice activities, fees, and issues dealing with non-resident auctioneers. The rules are designed to clarify some of the existing rules that have been in force for a number of years and to write new rules that deal with situations that have occurred in the past. The present Commission has spent numerous hours writing and re-writing the rules in order to make them clear, concise, and enforceable. The rules now go to the Attorney General for his review and approval. Once the rules have received the approval of the Attorney General, they will be published in this newsletter.

The next free seminar program presented by the Tennessee Auctioneer Commission will be held on Friday, October 27, 2000, at the Edgewater Hotel, River Road, Gatlinburg, Tennessee. The meeting will begin at 8:00 a.m. and run until 3:00 p.m. All attendees will receive 6 hours of credit. The course is approved in all states that require continuing education approval for your convenience.

See you in Gatlinburg!

## TENNESSEE MOTOR VEHICLE COMMISSION POLICY FOR MOTOR VEHICLE AUCTIONS

**T.C.A. 55-17-101 et. seq. strictly prohibits the sale of automobiles, in the auction format, by and between individuals in the State of Tennessee.**

1. **"AUTOMOBILE AUCTION"** means: (Definitions T.C.A. 55-17-102)

(A) Any person who provides a place of business or facilities for the wholesale exchange of motor vehicles by and between duly licensed motor vehicle dealers;

(B) [Deleted by 1994 amendment]

(C) Any person who provides the facilities for or is in the business of selling in an auction format motor vehicles which in the opinion of the commission are antique or unique, or

55-1-111 **"ANTIQUE"** For the purpose of this section, an "antique motor vehicle" is a motor vehicle over twenty-five (25) years old with a no modified engine and body which is used for participation in club activities, exhibits, tours, parades, and similar uses as a collector's item, but is in no event used for general transportation.

(D) Any motor vehicle dealer licensed to sell used motor vehicles, and which dealer is licensed as an auctioneer by the Tennessee Auctioneer Commission, and is auctioning on consignment by and between persons, motor vehicles originally manufactured for mass transportation and exceeding thirty-four feet (34') in length.

2. **EXCEPTIONS** to licensing requirements:

(A) Motor Vehicle Dealer selling no more than 15 vehicles once a year that are at least 4 years old under the provisions of T.C.A. 55-17-109 (a) (2),

(B) Motor vehicles of the State of Tennessee are being sold at an automobile auction;

(C) Heavy construction equipment, having three (3), four (4), or five (5) axles which is designed to unload itself and which transports stone, rock, soil, sand or coal, etc. Lighter weight vehicles used by the contractor may be sold if the sale of such motor vehicles is incidental to the sale of the heavy construction equipment providing the total value of motor vehicles shall not exceed ten percent (10%) of the sales price of all equipment sold at such auction; selling under the provisions of T.C.A. 55-17-120;

(D) Farm Equipment and Machinery Auction may sell no more than five (5) motor vehicles owned or

### **Motor Vehicles (Continued )**

possessed by the farmer under the provisions of T.C.A. 55-17-120 (c) (1) (2);

(E) Estate Auctions where dissolution of house-keeping by death, nursing home or health reasons. Motor vehicles will be sold under the same provisions as a farm auction which is T.C.A. 55-17-120 (c) (1) (2);

(F) Receivers, trustees, administrators, executors, or other persons appointed by or acting under an order of any court;

(G) Public officials while performing or in the operation of their duties.

Many of the above auctions require a **Written Notification** to the Tennessee Motor Vehicle Commission, 500 James Robertson Pkwy., Nashville, Tennessee 37243-1153.

IF THERE ARE ANY QUESTIONS, CALL 615-741-2711.

TMVC 07.0225

***Lost your Newsline? Need information?***

***Need to Contact a TAC Commissioner?***

**Check in at [www.state.tn.us/commerce/auction](http://www.state.tn.us/commerce/auction) for current information concerning upcoming seminars, exam dates, board members' addresses, etc.**

## TAC HAS NEW COMMISSIONER

Governor Don Sundquist has appointed Jay Whirley of Selmer, Tennessee, to the West Tennessee seat on the Tennessee Auctioneer Commission. Jay is the owner of Jay Whirley Auction Sales, 149 Court Avenue, Selmer, Tennessee. He has been a practicing auctioneer since 1986.

Jay resides in McNairy County with his wife Amanda, and two children, Jill (3 years) and Jacey (6 years). Jay and his family are active members of the First Baptist Church of Bethel Springs.

Jay's auction practice consists of general personal property and estate auctions. In addition to his auction business in McNairy County, Jay works six automobile auctions including the Southern Auto Auction (Memphis, TN), Jackson Area Auto Auction (Jackson, TN), Shoals Auto Auction (Muscle Shoals, AL), Southern Auto Auction (Greenhill, AL), West Memphis Auto Auction (West Memphis, AR), and the AISP Auto Auction (Hamilton, AL).

Presently Jay and his staff are preparing for a huge country store auction featuring items from country store collections consigned from Memphis and Nashville. The auction will be held October 5<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup>, in Jackson, Tennessee.

## INVESTIGATOR'S REPORT

by Dennis Hodges

The following violations seem to be a common problem across the state:

**Auctioneers:** Calling bids for unlicensed businesses. When this takes place, the auctioneer should remember that he or she is the first one held accountable for all auction activities. Auctioneers are also responsible for any advertisements and, of course, the normal paper work such as opening and closing statements and consignment sheets. However, when the business is unlicensed, auction activity is not legal. Any auctioneers that are currently participating in activities such as these are in violation. To remedy this, the auctioneer should ask to see the firm or gallery license. The firm or gallery license should be current.

**Apprentice Auctioneers:** Conducting auctions without their sponsor present. If the apprentice's sponsoring auctioneer can't be present, perhaps a Temporary Apprentice Sponsorship Agreement should be considered. The agreement is good for a period of up to one (1) year and was designed to assist the apprentices in acquiring points for their apprentice log in order that they may become eligible to upgrade to auctioneer status. Some apprentices are not only auctioning without their sponsor being present, they are taking it upon themselves to auction at unlicensed businesses. This is a violation for the apprentice and also creates a violation for the sponsoring auctioneer. Disciplinary actions for violation could result in fines (for both auctioneer and apprentice) and suspension or revocation of license. Further disciplinary action includes not being allowed to test for up to two (2) years to obtain licensure.

## Escrow Letter

by Melissa Deacon

In April, the Tennessee Auctioneer Commission sent out an escrow letter to all active firm and gallery owners regarding their escrow account information. The purpose was to request that you provide the Tennessee Auctioneer Commission information regarding your firm or gallery escrow account.

The response to this letter has been overwhelming. However, there are a few firms and galleries who have not responded. For those firms and galleries that have not responded, a second letter will be generated requesting the appropriate escrow account information.

Please provide this information to the Commission

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## CASE COMPLAINTS

The following cases have been dismissed and closed:

- 199901982. Alexandria Rlty. & Auction (Advertising violation.)
- 199901884. Auction Village, Inc. (Cease & Desist issued.)
- 199900327. Auction World, USA (Unlicensed firm. Consent Order issued in the amount of \$500.00, paid 6/29/99.)
- 199901873. Cherry Tree Orchard. (Unlicensed firm. Letter of Reprimand issued.)
- 199901321. Barific Arena. (Unlicensed firm. Letter of Reprimand issued.)
- 200003037. Cincinnati Industrial Auctioneers. (Unlicensed auctioneer called bids for licensed firm. Citations issued in the amount of \$500.00 to the unlicensed auctioneer and \$500.00 to the principal auctioneer for the firm (Jeffrey Luggen), both paid 3/24/2000.)
- 951111. Jim Cox. (Unlicensed auctioneer. Consent Order issued in the amount of \$500.00. Not paid. No further activity.)
- 951089. Radio Center (Q-Tek Computers). (Unlicensed auction firm. Consent Order issued in the amount of \$500.00. Not paid. No further activity.)
- 951302. Dayton Auction. (Firm allowed an auctioneer to call bids without a valid license. Firm closed.)
- 199901690. Gary "Hawk" Holbrook. (Conducted auctions without a valid license. Advisory Letter issued.)
- 199901876. Kurt T. Farywine. (Auctioneer called bids for firm advertising without a Tennessee firm license number. Letter of Reprimand issued 12/15/99.)
- 200003016. Moscow Auction. (Investigator unable to contact.)
- 199901150. Sadisco of Murfreesboro. (Unlicensed auction firm. Cease & Desist issued 8/16/99.)
- 199901981. Terry R. Thompson. (No violation found.)
- 199901937. Ken Travis, Agents, Auctioneers. (Advertising violation.)
- 951223. Dennis E. Hurst. (Investigator unable to locate.)



MARK  
THIS  
DATE

**October 27, 2000**

**TAC seminar!**

**Gatlinburg, TN**

(see back page for details)

**Don't be caught unaware!** If you are not receiving your Newsline, you are missing vital information to assist you in your auction profession.

Please send change of address information to TAC, 500 James Robertson Parkway, Davy Crockett Tower, 6th Floor, Nashville, Tennessee 37243-1152.



**SORRY WE  
MISSED YOU!**

# Gatlinburg, Tennessee - Site of Next TAC Seminar

## October 27, 2000

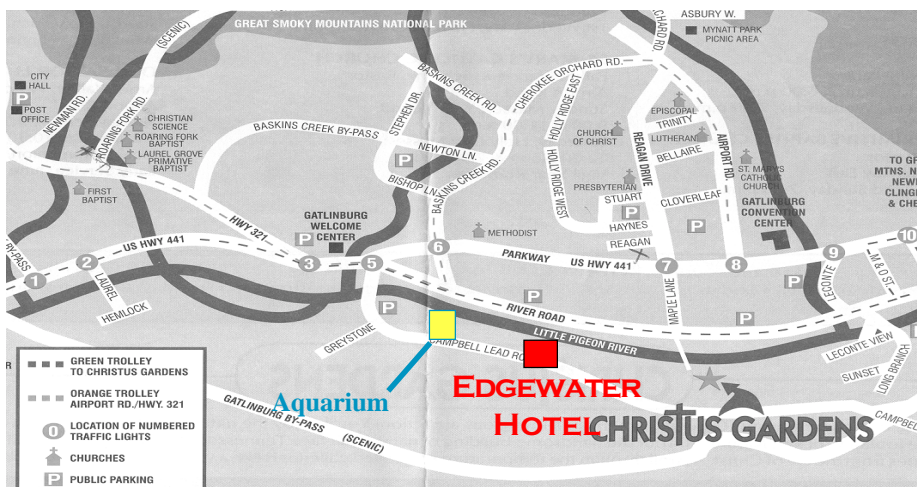
**SUBJECT:** "Auction Strategy and Psychology"  
**INSTRUCTOR:** Joe Gribbons, Louisville, Kentucky  
**DATE:** Friday, October 27, 2000  
**TIME:** 8:00 a.m. to 3:00 p.m.  
 (6 hours credit)  
**LOCATION:** Edgewater Hotel, 402 River Road,  
 Gatlinburg, TN 37738  
 Phone 800-423-9582,  
 423-436-4151 or fax  
 #423-436-6947.

**ABOUT OUR SPEAKER:** Mr. Joe Gribbins, auctioneer and real estate agent, has a B.S. in Business Administration and is a past instructor for the A-Pass Weikel Institute. Mr. Gribbins has conducted research for the National Auctioneers License Law Officials Association, and has conducted numerous seminars for the Kentucky Board of Auctioneers. Mr. Gribbins also compiled *"The Kentucky Sales and Use Tax Guide for Auctioneers"* for the Kentucky Board of Auctioneers, with the assistance of the Kentucky Revenue Cabinet. We encourage everyone to

**ROOM RATE:**  
 \$85.00 single or  
 double, plus tax

**CUT-OFF DATE:**  
 October 1, 2000

**PARKING:**  
 Additional parking is available  
 at the new Aquarium located  
 Terrace, adjacent to the River  
 west approximately two blocks  
 of the Edgewater Hotel.



attend.



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 INSURANCE AUTHORIZATION No. 335170, Revised 5/96.  
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"The Tennessee Department of Commerce and Insurance is  
 committed to principals of equal opportunity, equal access,  
 and affirmative action." Contact the EEO Coordinator or ADA  
 Coordinator (615) 741-2177 (TDD).

### TAC "NEWSLINE"

c/o Terry Evans  
 1009 Cedar Drive  
 Lobelville, TN 37097